

Press Release

California MOU In Support of the National Action Plan for Energy Efficiency

FOR IMMEDIATE RELEASE

California Shows Strong Support for the National Action Plan for Energy Efficiency

San Francisco, CA – July 31, 2006 -- Today, 16 of California's electric and gas utilities, state policymakers, and other key stakeholders formally announced their support for the National Action Plan for Energy Efficiency. The plan, which outlines specific goals for energy efficiency, is designed to preserve natural resources, reduce greenhouse gas emissions, and produce significant savings for consumers. The California Memorandum of Understanding (MOU), presented by California Public Utilities Commission President Michael R. Peevey during a meeting of the National Association of Regulatory Utility Commissioners, demonstrates broad support for this important nationwide effort to promote reliance on energy efficiency programs.

"This remarkable partnership of private, public and non-profit interests on behalf of this important new roadmap to promote efficiency is a true milestone in the effort to preserve our nation's natural resources," said CPUC President Peevey. "We are all pleased to be partners in this effort to promote energy efficiency in a meaningful and coordinated way."

The U.S. Environmental Protection Agency and the Department of Energy designated a national Leadership Group which then developed the recommendations that are outlined in the National Action Plan for Energy Efficiency. The plan's recommendations build upon best practices of successful efficiency programs already operating in many areas, with the goal of removing barriers that have limited utilities and customers from pursuing cost-effective energy efficiency resources.

If fully implemented, the National Action Plan for Energy Efficiency could help defer the need for 40 new 500-megawatt power plants, avoid the greenhouse gas emissions equivalent to those of over 35 million vehicles, lower the costs of air pollution controls, and reduce the price of natural gas.

Specifically, the plan's recommendations call for electric and gas utilities to do the following:

- Recognize energy efficiency as a high-priority energy resource,
- Make a strong, long-term commitment to the implementation of cost-effective energy efficiency as a resource,
- Broadly communicate the benefits of, and opportunities for, energy efficiency,
- Promote sufficient, timely, and stable program funding to deliver energy efficiency where cost-effective,
- Modify policies to align utility incentives with the delivery of cost-effective energy efficiency, and modify ratemaking practices to promote energy efficiency investments.

For more information, please contact any of the California MOU cosigners listed on the next page.

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**Cosigners of the California Memorandum of Understanding
Pledging Support for the National Action Plan for Energy Efficiency**
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